

Message Text

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P 192308Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY PORT AU PRINCE PRIORITY

C O N F I D E N T I A L STATE 278488

EXDIS

E.O. 11652: GDS

TAGS: EINV, EMIN, HA

SUBJECT: REYNOLDS NEGOTIATIONS

REFERENCES: A. 2392; B. 2431; C. 2450

1. DEPARTMENT GRATEFUL FOR EMBASSY'S GOOD EFFORTS IN PROVIDING INFORMATION CONTAINED IN REFS A AND B AND FOR TEXT OF FOURCAND LETTER TO REYNOLDS TRANSMITTED IN REF C. SUBSTANTIVE POINTS CONTAINED REFS A AND B HAVE BEEN CONVEYED TO REYNOLDS AS WELL AS THE UNOFFICIAL TEXT OF LETTER TO SIKOROVSKY. IN CONVERSATIONS WITH REYNOLDS DEPARTMENT HAS PLACED CONSIDERABLE EMPHASIS ON THE IMPORTANCE OF HAVING REYNOLDS' LOCAL MANAGER (BUTTERFIELD) AND LEGAL COUNSEL (LEGER) MAINTAIN CLOSE AND CONTINUING CONTACT WITH THE EMBASSY SO THAT MISSION CAN PROVIDE APPROPRIATE ASSISTANCE AS NECESSARY.

2. REYNOLDS NOW INTENDS TO SEND LETTERS TO MINISTER FOURCAND AND MINISTER BROS IN WHICH COMPANY WILL INDICATE ITS INTENTION TO PAY NEW LEVY FOR FIRST THREE QUARTERS CY 74 BY THE DUE DATE. LETTER WILL ALSO STATE COMPANY'S POSITION ON SUCH OTHER ISSUES AS BACK TAXES FOR PERIOD
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SUBSEQUENT TO 1967. PRIOR TO RECEIPT OF FOURCAND'S LETTER,

COMPANY HAD DRAFTED WHAT REYNOLDS VICE PRESIDENT ROBERTS DESCRIBED AS A "FAIRLY STIFF" COMMUNICATION WHICH THEY

NOW INTEND TO TONE DOWN IN LIGHT OF FOURCAND'S LETTER AND ON ADVICE OF THEIR COUNSEL IN PORT-AU-PRINCE.

3. REYNOLDS OFFICIALS WITH WHOM DEPARTMENT HAS BEEN IN CONTACT (BOTH SIKOROVSKY AND ROBERTS) CONTINUE TO MAINTAIN THAT THEY WERE TREATED WITH EXCESSIVE HARSHNESS DURING THEIR THREE DAYS OF NEGOTIATION AND ROBERTS HAS OBSERVED ON MORE THAN ONE OCCASION THAT UNLESS CLIMATE IMPROVES COMPANY WOULD SERIOUSLY CONSIDER WITHDRAWAL FROM HAITI. IN VIEW OF THIS DISCREPANCY, DEPARTMENT WONDERS WHETHER IT MIGHT NOT BE USEFUL TO TAKE UP FOURCAND'S OFFER (REF B) TO REVIEW THE VIDEOTAPE OF THE NEGOTIATIONS. REALIZE THAT REVIEW OF ENTIRE 34 HOURS OF NEGOTIATIONS WOULD BE AN EXCESSIVELY BURDENSOME TASK. HOWEVER, DEPENDING UPON HOW TAPE IS ARRANGED, MIGHT IT BE POSSIBLE TO REVIEW SELECTED PORTIONS OF KEY POINTS, SUCH AS SIKOROVSKY'S AGREEMENT ON THE FIRST DAY AND HIS SUBSEQUENT WITHDRAWAL OF AGREEMENT THE FOLLOWING DAY, INCIDENT DURING WHICH THE MINISTER OF JUSTICE IS REPORTED TO HAVE READ PERTINENT PORTIONS OF THE LEGAL CODE IN A THREATENING MANNER, AND IN PARTICULAR GOH PRESENTATION OF DEMAND FOR DOLS 15 MILLION IN BACK TAXES AND ALLEGED WITHDRAWAL OF DEMAND. LEAVE THIS ENTIRELY TO THE AMBASSADOR'S DISCRETION BUT FEEL THAT TAPE'S EXISTENCE PROVIDES US WITH AN EXCELLENT OPPORTUNITY TO WEIGH FOR OURSELVES THE CONFLICTING VERSIONS OF WHAT ACTUALLY TRANSPIRED DECEMBER 2-4.

4. WE HAVE NOT INDICATED TO REYNOLDS THAT VIDEOTAPE RECORD OF THE NEGOTIATION EXISTS AND DO NOT INTEND TO AT THIS TIME. KISSINGER

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